United States Department of Justice Office of the United States Trustee 110 N. College Avenue, Suite 300 Tyler, Texas 75202 (903) 590-1450

# IN THE UNITED STATES BANKRUPTCY COURT FOR THE EASTERN DISTRICT OF TEXAS SHERMAN DIVISION

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§	Case No. 11-41092
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§	Chapter 11
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# UNITED STATES TRUSTEE'S MOTION TO DISMISS; WITH WAIVER OF 30-DAY HEARING REQUIREMENT

# PLEASE NOTE THAT THE COURT HAS SET THIS MOTION FOR HEARING:

HEARING: MONDAY, DECEMBER 16, 2013, AT 1:30 P.M.

U.S. Bankruptcy Court 660 N. Central Expressway, 3rd Floor Plano, Texas 75704

### TO THE HONORABLE UNITED STATES BANKRUPTCY JUDGE PRESIDING:

William T. Neary, the United States Trustee for Region 6 ("U.S. Trustee") hereby files in the above-numbered and captioned bankruptcy case ("Case") his Motion to Dismiss ("Motion") and respectfully states in support thereof:

#### **Jurisdiction and Timeliness**

1. This Court has subject matter jurisdiction under 28 U.S.C. §§ 1334, 157(a), and the standing order of reference. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(A) and (O). The predicate for the relief requested herein is Bankruptcy Code section 1112(b).

#### **Background**

- 2. On April 4, 2011, George and Teresa Wigington ("Debtors") initiated the Case in the United States Bankruptcy Court, Eastern District of Texas, Sherman Division by filing a voluntary petition for relief under chapter 13 of title 11 and subsequently converted to chapter 11 on April 12, 2012.
  - 3. On June 4, 2013, the Court confirmed the Debtors' plan of reorganization.
- 4. As of the filing of this Motion, November 1, 2013, the Debtors are delinquent in filing their June 30, 2013, and September 30, 2013, quarterly post-confirmation operating reports and are also delinquent in paying quarterly fees.
- 5. The U.S. Trustee has informally requested Debtors to file their required reports and to pay their fees, without success.

#### **Applicable Law and Argument**

- 6. Section 1112 (b) provides,
- . . . absent unusual circumstances specifically identified by the court that establish that the requested conversion or dismissal is not in the best interests of creditors and the estate, the court shall convert a case under this chapter to a case under

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chapter 7 or dismiss a case under this chapter, whichever is in the best interests of creditors and the estate, if the movant establishes cause.

7. Cause exists to convert or dismiss this bankruptcy case for failure to satisfy timely

the reporting requirements established by the Bankruptcy Code, 11 U.S.C. § 1112(b)(4)(F), and

failure to pay any fees or charges required under chapter 123 of title 28. 11 U.S.C. §

1112(b)(4)(K).

8. Under section 1112(b), the Court determines whether dismissal or conversion is in

"the best interest of creditors." Under the facts of this Case, the Debtor does not appear able to

effectively use chapter 11 for the benefit of creditors, so the Case should be dismissed. Further,

on dismissal, sufficient "cause" exists to dismiss the Case with prejudice to re-filing for 180

days. 11 U.S.C. § 349

WHEREFORE, the U.S. Trustee respectfully requests that the Court issue an order (a)

dismissing the Case with prejudice to re filing, (b) requiring payment of accrued quarterly fees;

and (c) granting such other further appropriate relief.

Dated: November 1, 2013

Respectfully submitted,

William T. Neary United States Trustee

Region 6

By:

/s/ Marc Salitore

Timothy W. O'Neal

Asst. U.S. Trustee, SBOT 15283350

Marcus F. Salitore

Trial Attorney, SBOT 24029822

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### **CERTIFICATE OF SERVICE**

The undersigned hereby certifies that a copy of the foregoing document was served on the following listed persons and those notified through the court's electronic notification system as permitted by Appendix 5005 III E to the Local Rules of the U.S. Bankruptcy Court for the Eastern District of Texas, or by first class United States Mail, postage prepaid, no later than November 4, 2013.

/s/ Marc Salitore

Marcus F. Salitore

#### **Debtors:**

George & Teresa Wigington 2451 Elm Grove Road Wylie, TX 75098

## **Debtors' Attorney:**

N/A

## **Notices of Appearance:**

Mark Stromburg Two Lincoln Center 5420 LBJ Freeway, Ste 300 Dallas, TX 75240

Michael Reed McCreary Veselka et al PO box 1269 Round Rock, TX 78680

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WILLIAM RILEY NIX 717 NORTH CROCKETT STREET SHERMAN, TEXAS 75090

**Matrix Follows:** 

Case 11-41092
Label Matrix for local noticing 0540-4 Case 13-40360

Eastern District of Texas Sherman

Fri Nov 1 14:35:25 CDT 2013

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The preferred mailing address (p) above has been substituted for the following entity/entities as so specified by said entity/entities in a Notice of Address filed pursuant to 11 U.S.C. 342(f) and Fed.R.Bank.P. 2002 (g)(4).

Lee Gordon McCreary Veselka Bragg & Allen, PC PO Box 1269 Round Rock, TX 78665

End of Label Matrix Mailable recipients 21 Bypassed recipients 0 Total 21